



94TH GENERAL ASSEMBLY
State of Illinois
2005 and 2006
HB4802

Introduced 1/18/2006, by Rep. Shane Cultra

SYNOPSIS AS INTRODUCED:

235 ILCS 5/8-1

from Ch. 43, par. 158

Amends the Liquor Control Act of 1934. Provides that 25% the proceeds collected under the tax imposed for the sale, use, or possession of alcoholic liquor must be available to the Department of Human Services for grants to public and private entities for the purpose of funding alcohol problem prevention and recovery programs. Effective immediately.

LRB094 17957 LJB 53260 b

FISCAL NOTE ACT
MAY APPLY

1 AN ACT concerning liquor.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Liquor Control Act of 1934 is amended by
5 changing Section 8-1 as follows:

6 (235 ILCS 5/8-1) (from Ch. 43, par. 158)

7 Sec. 8-1. A tax is imposed upon the privilege of engaging
8 in business as a manufacturer or as an importing distributor of
9 alcoholic liquor other than beer at the rate of \$0.185 per
10 gallon for cider containing not less than 0.5% alcohol by
11 volume nor more than 7% alcohol by volume, \$0.73 per gallon for
12 wine other than cider containing less than 7% alcohol by
13 volume, and \$4.50 per gallon on alcohol and spirits
14 manufactured and sold or used by such manufacturer, or as agent
15 for any other person, or sold or used by such importing
16 distributor, or as agent for any other person. A tax is imposed
17 upon the privilege of engaging in business as a manufacturer of
18 beer or as an importing distributor of beer at the rate of
19 \$0.185 per gallon on all beer manufactured and sold or used by
20 such manufacturer, or as agent for any other person, or sold or
21 used by such importing distributor, or as agent for any other
22 person. Any brewer manufacturing beer in this State shall be
23 entitled to and given a credit or refund of 75% of the tax
24 imposed on each gallon of beer up to 4.9 million gallons per
25 year in any given calendar year for tax paid or payable on beer
26 produced and sold in the State of Illinois.

27 For the purpose of this Section, "cider" means any
28 alcoholic beverage obtained by the alcohol fermentation of the
29 juice of apples or pears including, but not limited to,
30 flavored, sparkling, or carbonated cider.

31 The credit or refund created by this Act shall apply to all
32 beer taxes in the calendar years 1982 through 1986.

1 The increases made by this amendatory Act of the 91st
2 General Assembly in the rates of taxes imposed under this
3 Section shall apply beginning on July 1, 1999.

4 A tax at the rate of 1¢ per gallon on beer and 48¢ per
5 gallon on alcohol and spirits is also imposed upon the
6 privilege of engaging in business as a retailer or as a
7 distributor who is not also an importing distributor with
8 respect to all beer and all alcohol and spirits owned or
9 possessed by such retailer or distributor when this amendatory
10 Act of 1969 becomes effective, and with respect to which the
11 additional tax imposed by this amendatory Act upon
12 manufacturers and importing distributors does not apply.
13 Retailers and distributors who are subject to the additional
14 tax imposed by this paragraph of this Section shall be required
15 to inventory such alcoholic liquor and to pay this additional
16 tax in a manner prescribed by the Department.

17 The provisions of this Section shall be construed to apply
18 to any importing distributor engaging in business in this
19 State, whether licensed or not.

20 However, such tax is not imposed upon any such business as
21 to any alcoholic liquor shipped outside Illinois by an Illinois
22 licensed manufacturer or importing distributor, nor as to any
23 alcoholic liquor delivered in Illinois by an Illinois licensed
24 manufacturer or importing distributor to a purchaser for
25 immediate transportation by the purchaser to another state into
26 which the purchaser has a legal right, under the laws of such
27 state, to import such alcoholic liquor, nor as to any alcoholic
28 liquor other than beer sold by one Illinois licensed
29 manufacturer or importing distributor to another Illinois
30 licensed manufacturer or importing distributor to the extent to
31 which the sale of alcoholic liquor other than beer by one
32 Illinois licensed manufacturer or importing distributor to
33 another Illinois licensed manufacturer or importing
34 distributor is authorized by the licensing provisions of this
35 Act, nor to alcoholic liquor whether manufactured in or
36 imported into this State when sold to a "non-beverage user"

1 licensed by the State for use in the manufacture of any of the
2 following when they are unfit for beverage purposes:

3 Patent and proprietary medicines and medicinal,
4 antiseptic, culinary and toilet preparations;

5 Flavoring extracts and syrups and food products;

6 Scientific, industrial and chemical products, excepting
7 denatured alcohol;

8 Or for scientific, chemical, experimental or mechanical
9 purposes;

10 Nor is the tax imposed upon the privilege of engaging in
11 any business in interstate commerce or otherwise, which
12 business may not, under the Constitution and Statutes of the
13 United States, be made the subject of taxation by this State.

14 The tax herein imposed shall be in addition to all other
15 occupation or privilege taxes imposed by the State of Illinois
16 or political subdivision thereof.

17 If any alcoholic liquor manufactured in or imported into
18 this State is sold to a licensed manufacturer or importing
19 distributor by a licensed manufacturer or importing
20 distributor to be used solely as an ingredient in the
21 manufacture of any beverage for human consumption, the tax
22 imposed upon such purchasing manufacturer or importing
23 distributor shall be reduced by the amount of the taxes which
24 have been paid by the selling manufacturer or importing
25 distributor under this Act as to such alcoholic liquor so used
26 to the Department of Revenue.

27 If any person received any alcoholic liquors from a
28 manufacturer or importing distributor, with respect to which
29 alcoholic liquors no tax is imposed under this Article, and
30 such alcoholic liquor shall thereafter be disposed of in such
31 manner or under such circumstances as may cause the same to
32 become the base for the tax imposed by this Article, such
33 person shall make the same reports and returns, pay the same
34 taxes and be subject to all other provisions of this Article
35 relating to manufacturers and importing distributors.

36 Nothing in this Article shall be construed to require the

1 payment to the Department of the taxes imposed by this Article
2 more than once with respect to any quantity of alcoholic liquor
3 sold or used within this State.

4 No tax is imposed by this Act on sales of alcoholic liquor
5 by Illinois licensed foreign importers to Illinois licensed
6 importing distributors.

7 Notwithstanding any other provision of law, 25% the
8 proceeds collected under this tax must be available to the
9 Department of Human Services for grants to public and private
10 entities for the purpose of funding alcohol problem prevention
11 and recovery programs.

12 (Source: P.A. 90-625, eff. 7-10-98; 91-38, eff. 6-15-99.)

13 Section 99. Effective date. This Act takes effect upon
14 becoming law.